

TAX INCREMENT DISTRICT #18

UNIVERSITY AVENUE



PROJECT PLAN

City of Green Bay, Wisconsin

DRAFT: August 21, 2015

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Summary of Findings

As required by Wisconsin Statutes 66.1105, and as documented in this Project Plan and the exhibits contained and referenced herein, the following findings are made for the City of Green Bay Tax Increment Finance District Number Eighteen (TID 18):

1. That “but for” the creation of TID 18, the development projected to occur as detailed in this Plan would not occur in the manner desired by the City because of challenges associated with:
 - a. Additional costs associated with environmental cleanup and remediation; and
 - b. Additional costs associated with the rehabilitation of existing structures and parcels; and
 - c. Blighted parcels that deter private investment; and
 - d. A lack of facilities that accommodate pedestrian and bicycle users.
2. The equalized value of taxable property of TID 18 plus the value increment of all existing tax increment districts does not exceed twelve percent (12%) of the total equalized value of taxable property within the municipality.
3. 66.79%, by area (103.61 of the 155.12 total acres), of the real property within TID 18 is in need of rehabilitation or conservation work, thereby exceeding the fifty percent (50%) threshold as defined in Wisconsin Statutes 66.1337 (2m)(b).
4. The proposed activities in this Plan are in concurrence with Wisconsin Statutes 66.1337, which enable the City to conduct specific activities in a rehabilitation or conservation district; including:
 - a. A program of voluntary or compulsory repair and rehabilitation of buildings or other improvements; and
 - b. Acquisition of real property and demolition, removal or rehabilitation of buildings and improvements on the property where necessary to eliminate unhealthful, unsanitary or unsafe conditions, lessen density, reduce traffic hazards, eliminate obsolete or other uses detrimental to the public welfare, to otherwise remove or prevent the spread of blight or deterioration, or to provide land for needed public facilities; and
 - c. Installation, construction or reconstruction of streets, utilities, parks, playgrounds, and other improvements necessary for carrying out an urban renewal project; and
 - d. The disposition, for uses in accordance with the objectives of the urban renewal project, of any property acquired in the area of the project.
5. The project costs in this Plan relate directly to rehabilitating or conserving parcels within TID 18 consistent with the purpose for which the District is created.
6. The economic benefits of TID 18, as measured by increased property value, employment, and (business and personal) income, more than compensate for the cost of the improvements.
7. The benefits of the proposal are greater than the anticipated tax increments to be paid by property owners in overlying taxing jurisdictions.
8. The improvement of the area is likely to enhance significantly the value of substantially all of the other real property in TID 18.
9. The TID 18 Project Plan is feasible and in conformity with the City *Comprehensive Plan*.
10. The City Attorney has signed an opinion (located in Appendix A) advising that this Project Plan is complete and complies with the law.

Description of the Proposed District

The City of Green Bay

The City of Green Bay is the economic hub of northeastern Wisconsin, and the flagship city of a combined metropolitan region of nearly 700,000 people. It is the “north star” in a chain of great cities, including Chicago and Milwaukee, which line the western shore of Lake Michigan. The City is in an excellent position to build on past success and flourish well into the future.

Demographically, the city has sustained steady population growth over the last few decades (2010 Census population of 104,057) and the metropolitan area has grown at an even faster rate. Population is projected to increase, primarily through natural growth. Inbound migration is primarily from adjacent counties and other parts of the state. The number and percentage of residents with at least a college degree has increased over the last decade.

As for commerce, the top three industries (in terms of employees) are manufacturing, health care and social assistance, and retail trade. Employment continues to grow since the recession of 2008 and is projected to increase. Firms involved in the management of companies and enterprises, finance and insurance, and administrative and waste services weathered the recession exceptionally well. The city – and the metropolitan region – continues to be an employment magnet, with more employees coming in from other communities than residents leaving for employment elsewhere. The city will succeed in the future by leveraging the substantial assets and significant competitive advantage it has invested in its strongest traded industry clusters: agriculture and food processing; paper, packaging, and printing; advanced manufacturing; and transportation and logistics.

A robust transportation infrastructure provides excellent opportunities to move people and goods efficiently. Two interstate highways link to the Milwaukee / Chicago area providing north-south access, while a four-lane state highway connects to the Minneapolis / St. Paul area providing east-west access. National, state, county, and local roads, along with several miles of pedestrian and bicycle infrastructure, provide sufficient mobility and access to points in between. Green Bay Metro Transit operates thirteen full-service bus routes, a handful of limited-service routes, and a paratransit service that provides over a million and a half rides annually in the metro area. The Austin Straubel International Airport (GRB) serves more than 610,000 passengers and ships 540,000 pounds of freight cargo annually through fifty-two daily flights operated by three commercial airlines and two fixed-based operators. The Port of Green Bay moves over two million metric tons of cargo annually through fourteen docks located along a three-mile stretch of the Fox River. Two rail carriers (one international and one regional) serve the Port and many industrial areas within the region.

The metropolitan area supports business growth and development. Foreign Trade Zone #167 allows merchandise to be imported, assembled, and repackaged with other components without formal customs entry procedures or import duties. The Advance Business and Manufacturing Center, University of Wisconsin – Green Bay Small Business Development Center, Northeastern Wisconsin Technical College Artisan and Business Center, and Brown County Culinary Kitchen have demonstrated success incubating businesses.

The city already offers award-winning public schools, reputable institutions of higher education, direct access to outstanding natural spaces, and some of the lowest crime rates in the nation. Community partners continue to enhance these assets by creating amazing public spaces and building transportation networks that accommodate individuals of all ages and abilities.

University Avenue Corridor

A section of the *City Comprehensive Plan* identifies areas prime for redevelopment: areas of blight, disinvestment, and properties not achieving their highest and best use based on economic conditions. One targeted redevelopment area is the University Avenue corridor: a four-mile arterial street traversing from the downtown area east-northeast to the University of Wisconsin – Green Bay. A portion of the street also holds the Wisconsin State Highway 54/57 designation and is part of an interchange with Interstate 43. The corridor contains a mix of commercial and industrial properties and low-to-moderate-income housing. A significant number of vacancies pose challenges for attracting new business to the area.

The addition of a \$60 million Veterans Administration (VA) Outpatient Clinic in 2013 on the eastern end of the corridor spurred interest in creating a detailed redevelopment strategy for the area. The City Planning Department, in concert with a citizen steering committee, facilitated a planning process, with financial assistance from a U.S. Environmental Protection Agency (EPA) Brownfields Area Wide Planning grant, and technical assistance from Stantec. The City completed the *University Avenue Corridor Brownfield Redevelopment Plan*, which was then adopted by the Common Council in 2014. Economic and demographic analyses show that the corridor has the potential to support additional residential and commercial uses, including a hotel, medical offices, retail shopping, and other neighborhood services. The *University Avenue Corridor Brownfield Redevelopment Plan – Section 2.3 Economic Assessment* is located in [Appendix B](#).

Tax Increment Financing District Number 18 (TID 18)

Under Wisconsin Statutes 66.1105, the property taxes paid each year on the increase in equalized value of a TID may be used by the City to pay the costs of redevelopment projects within the TID. The incremental value is determined by taking the TID's current value and deducting the value in the TID that existed when the TID was created. All taxes levied upon the incremental (or increased) value by the City, School District, County, and Vocational School District are allocated to the City for direct payment of project costs or the payment of debt service on bonds used to finance project costs. Expenses may be incurred for the implementation for the approved project plan and completion of the project outlined therein up to five years before the unextended maximum life of the TID.

TID 18 is being created in order to provide a mechanism to overcome challenges associated with blighted parcels that deter private investment and the additional costs associated with the rehabilitation of existing structures and parcels, environmental cleanup and remediation, and a lack of amenities that encourage pedestrian and bicycle traffic. Of the 155.12 total acres of real property within TID 18, 103.61 acres, or 66.79%, are in need of rehabilitation or conservation work.

[Map 1](#) shows the location of TID 18 within the city, while [Map 2](#) shows its detailed boundaries. The legal description for TID 18 is attached as [Appendix C](#). TID 18 has seventy-nine (79) parcels totaling 191.93 acres: 155.12 acres of real property and 36.81 acres of public road right-of-way. [Table 1](#) and [Map 3](#) show the distribution of zoning categories, while [Table 2](#) and [Map 4](#) show the distribution of land uses. [Map 5](#) shows parcels in need of rehabilitation or conservation work.

In 2014, TID 18 had a combined assessment of \$32,539,800. This equates to \$171,388.59 per taxable acre. [Appendix D](#) provides a listing of all parcels and assessed values within the TID.

Zoning	Acres	Percentage
General Commercial (C1)	45.43	23.67 %
General Industry (GI)	38.71	20.17 %
Road Right-of-Way	36.81	19.18 %
Varied Density Residential (R3)	36.52	19.03 %
Light Industry	21.90	11.41 %
Highway Commercial (C2)	11.09	5.78 %
Neighborhood Commercial (NC)	1.38	0.72 %
Low Density Residential (RI)	0.09	0.05 %
TOTAL	191.93	100 %

Table 1. Zoning distribution.

Land Use	Acres	Percentage
Road Right-of-Way	36.81	19.18 %
Commercial (including underutilized)	35.23	18.36 %
Former Industrial – Vacant Structure	33.26	17.33 %
Natural Areas / Woodlands / Undeveloped	20.28	10.57 %
Former Commercial – Vacant Structure	17.04	8.88 %
Multi-Family	14.01	7.30 %
Single-Family	11.15	5.81 %
Industrial	10.33	5.38 %
Undeveloped Open Space	7.59	3.95 %
Former Commercial – Vacant Land	6.22	3.24 %
TOTAL	191.93	100 %

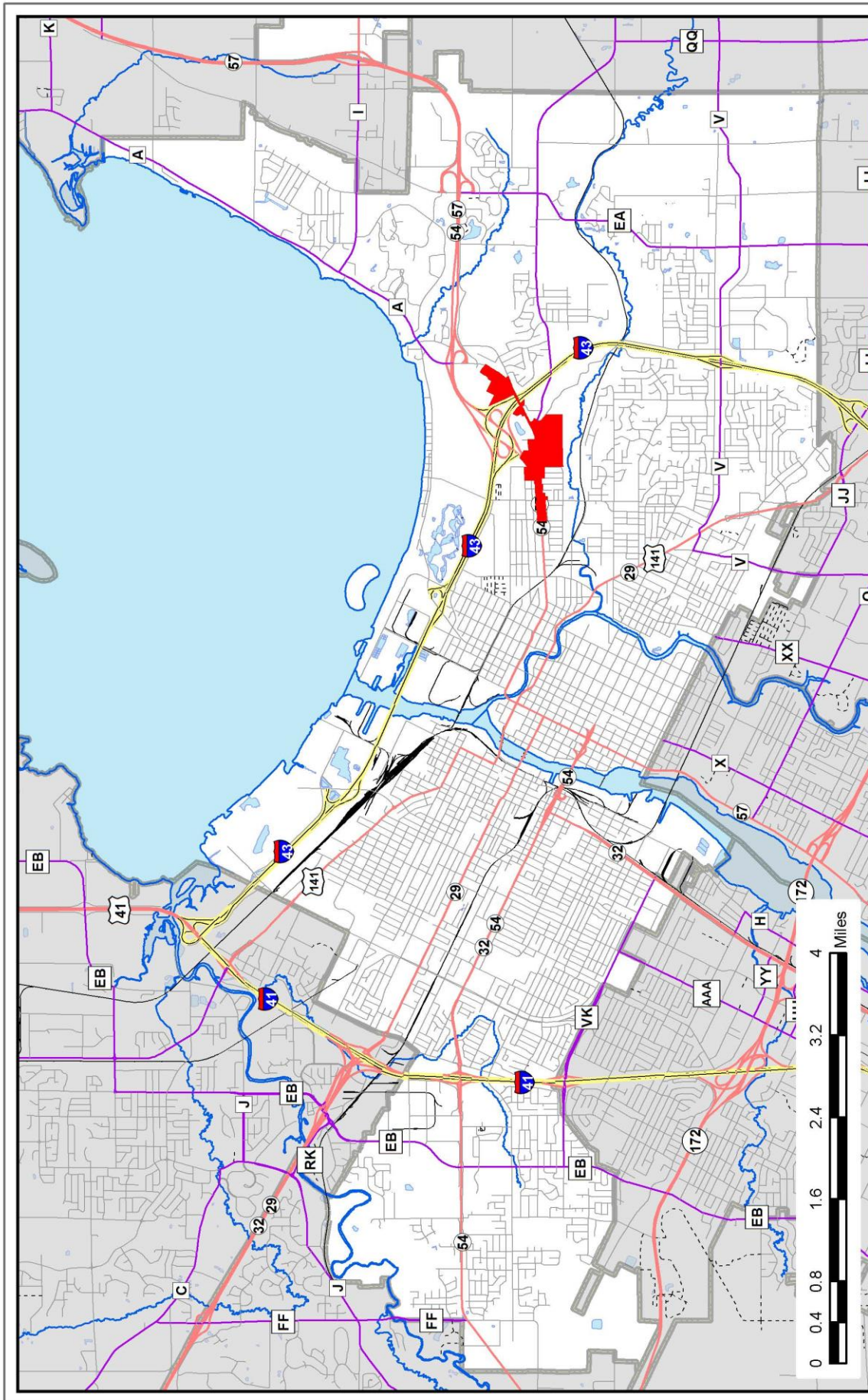
Table 2. Land use distribution.

TIF Capacity Analysis

Wisconsin Statutes 66.1105 (4)(gm)(4)(c), defines a limit on the equalized property value that may be located within municipal TIDs. The equalized value of taxable property of the new district plus the value increment of all existing districts does not exceed twelve percent (12%) of the total equalized value of taxable property within the municipality. The existing capacity in the City is more than satisfactory to permit the creation of TID 18, as the addition of TID 18 will only raise the percent of equalized value in TIDs from 3.10% to 3.66% (Table 3).

Measure	Amount as of January 1, 2014
Equalized value of the City of Green Bay	\$5,857,893,700
Total existing TID increment	\$181,632,100
Percent equalized value within total existing TID increment	3.10 %
Equalized value of proposed TID 18	\$32,539,800
Total value for 12% test	\$214,171,900
New percent equalized value within TIDs, including TID 18	3.66%

Table 3. Tax increment finance capacity.

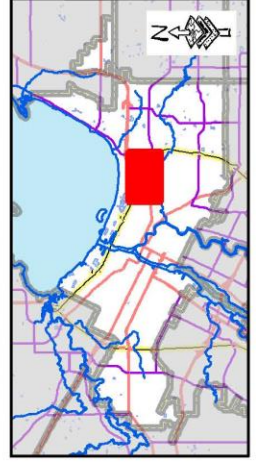
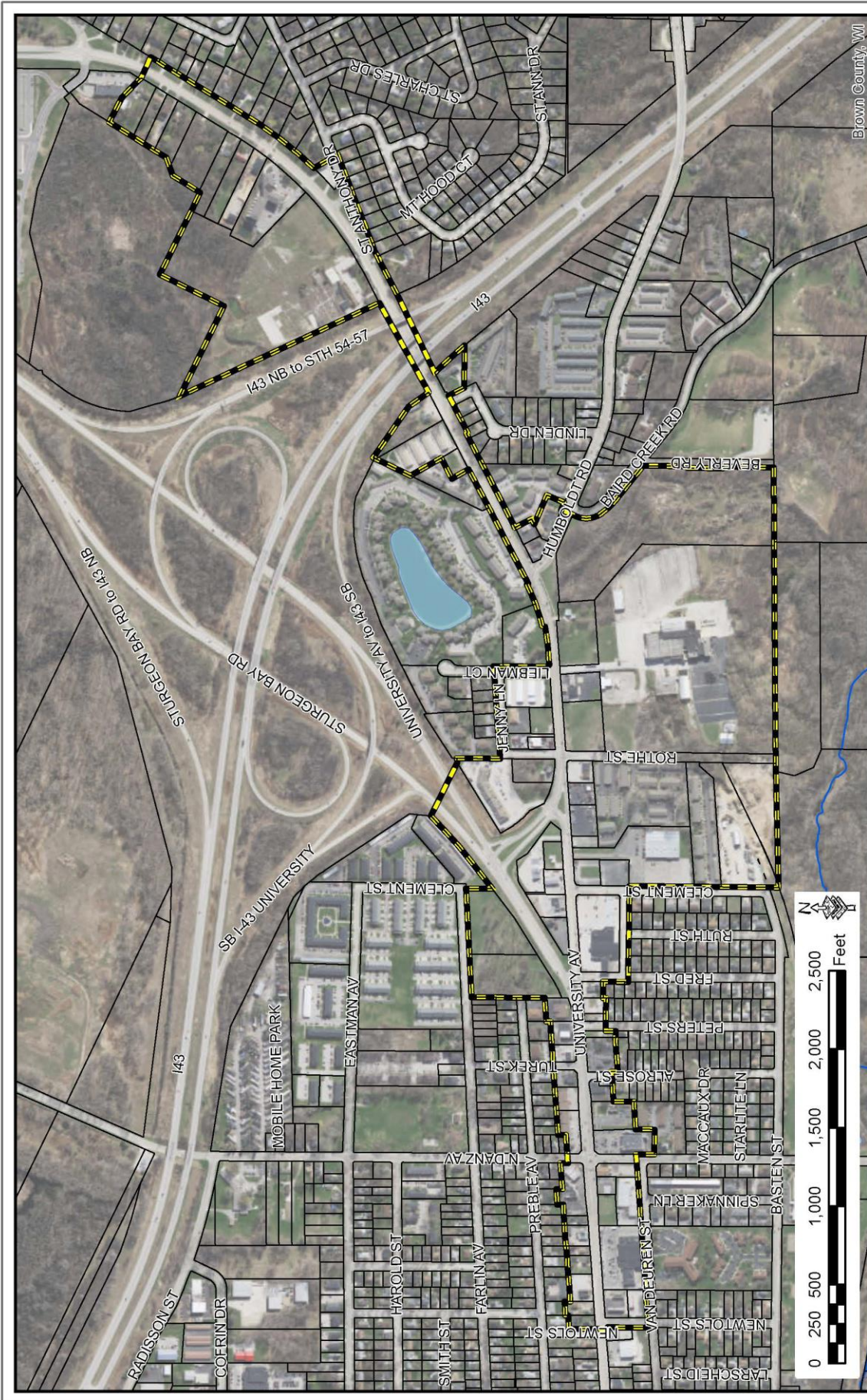


TID 18 Map 1: General Location


 TID 18 Boundary
  Municipal Districts

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Map prepared by City of Green Bay Planning Department, D.J.L.
 Date Printed: 07 May 2015 X:\Planning\CityData\GIS\PROJECTS\TID18-Update\TID 18 Map 1 - General Location.mxd



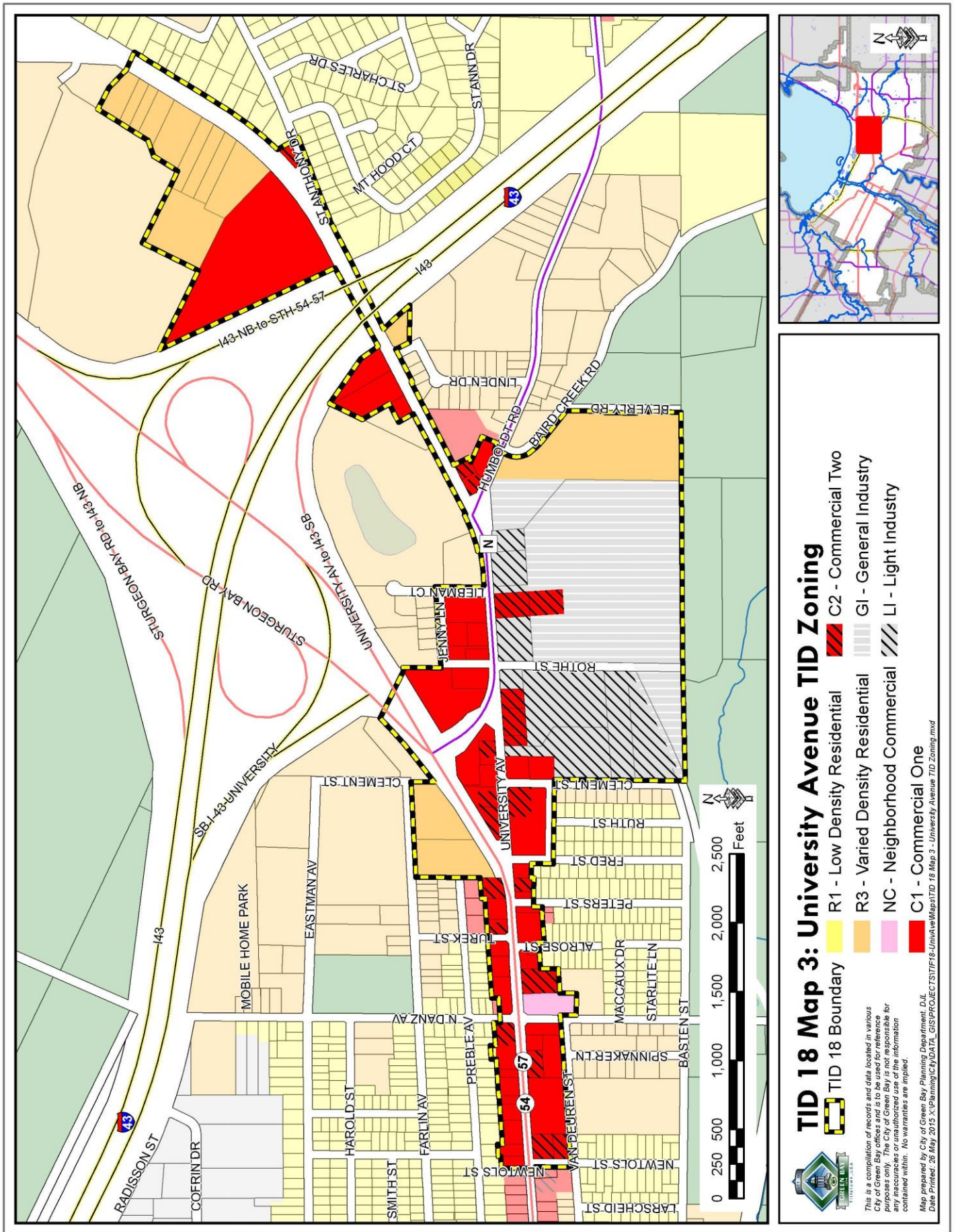
TID 18 Map 2: University Avenue TID Boundary

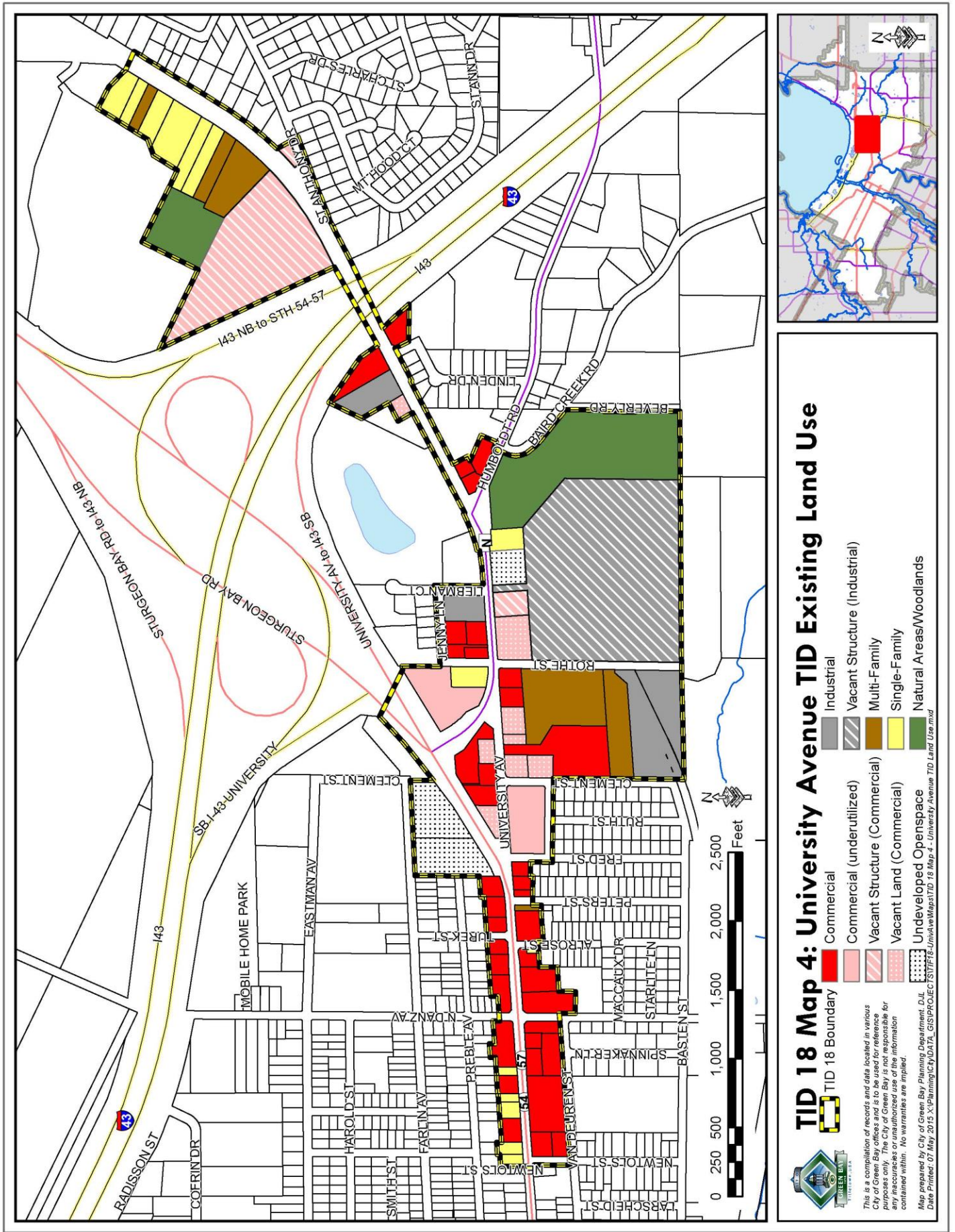
 TID 18 Boundary

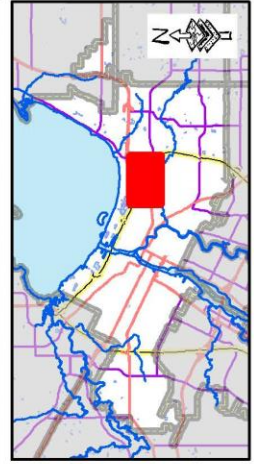
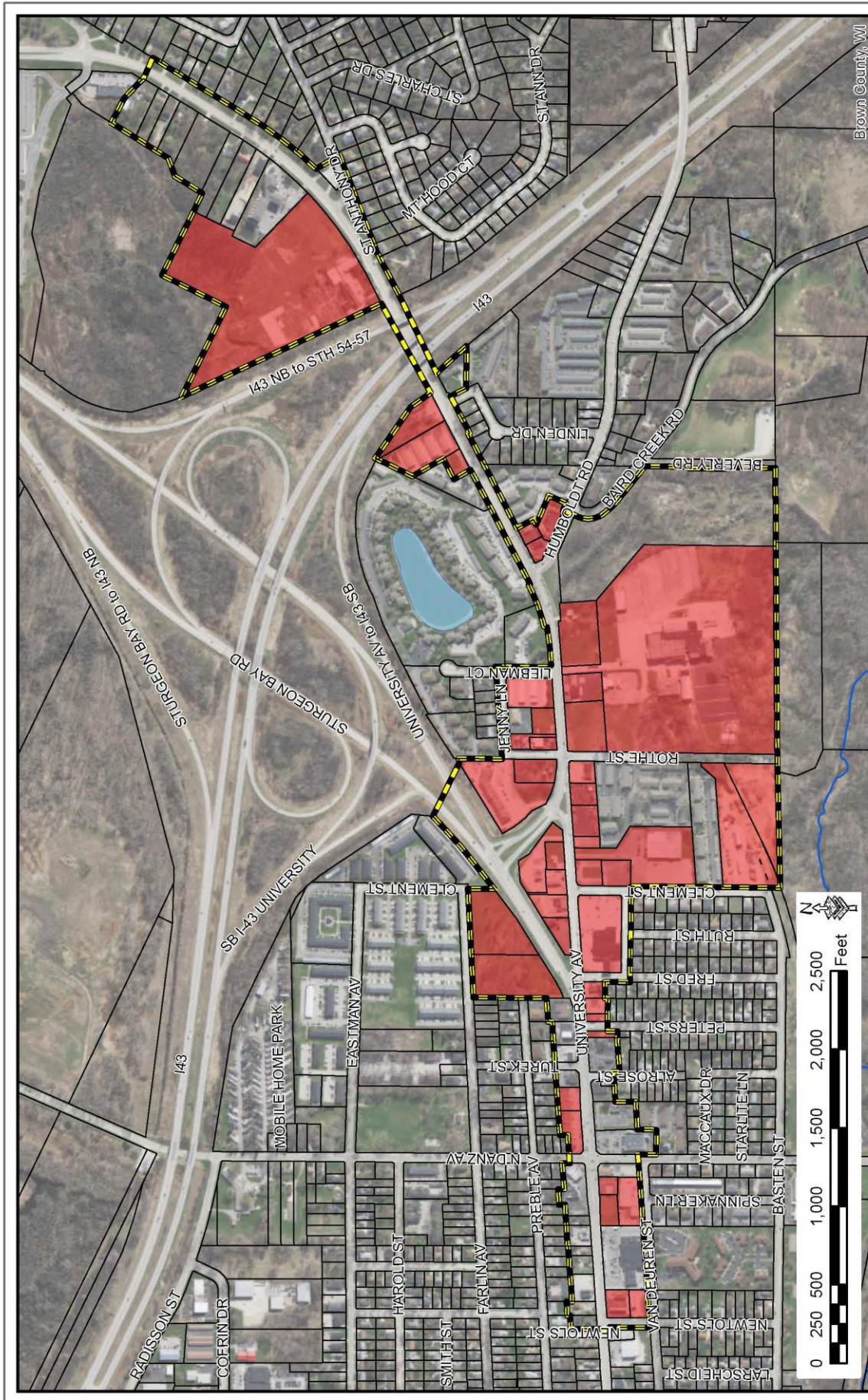


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Map prepared by City of Green Bay Planning Department. DJL
Date Printed: 07 May 2015 X:\Planning\CityData\GIS\PROJECTS\TID18-Univ\Map 2 - University Avenue TID Boundary.mxd







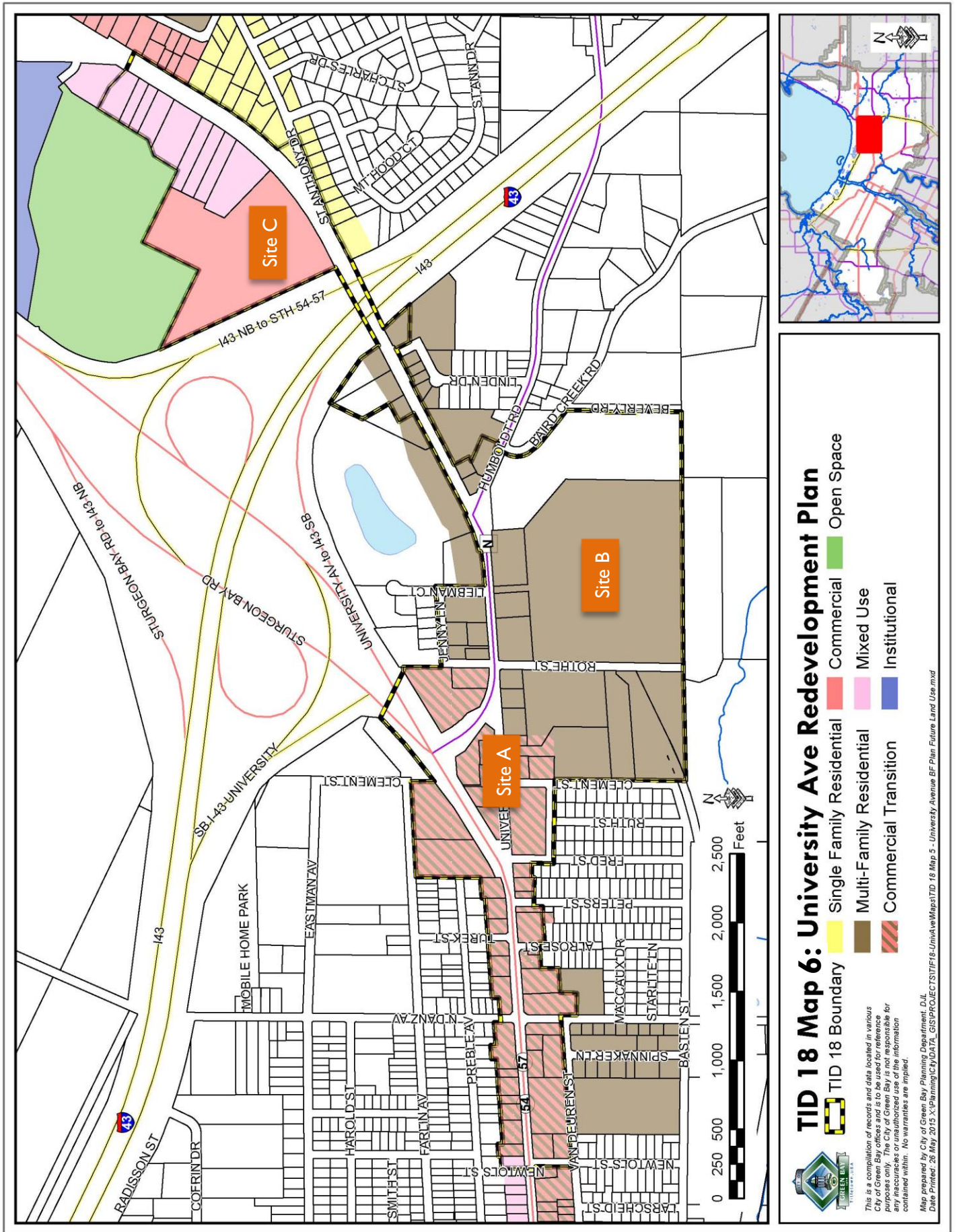
TID 18 Map 5: University Avenue TID Rehabilitation or Conservation Parcels

-  TID 18 Boundary
-  Rehabilitation or Conservation Parcels



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Map prepared by City of Green Bay Planning Department. DJL
Date Printed: 12 May 2015 X:\Planning\CityData\GISPROJECTS\TID18\UnivAve\Map5TID 18 Map 5 - University Avenue TID Rehabilitation or Conservation Parcels.mxd



Project Costs

Specific Projects

The City may encumber funds to implement the following projects. This list is not meant to be a budget or an appropriation of funds for specific projects. All costs are estimates based on the best information available. The City reserves the right to delete projects or change the scope and/or timing of projects implemented as they are individually authorized by the Common Council, without amending the Plan. All improvements are designed to be applied within the boundaries of TID 18 ([Map 6](#)).

Improvement 1 Incentives: grants and loans

Details	money to offset project costs, including property acquisition, parcel assembly, site preparation, construction, and infrastructure (transportation, water, sewer, stormwater, utilities) on projects that eliminate blight, rehabilitate parcels, or conserve parcels
Purpose	provide a source of gap funding for projects on parcels with more development challenges (e.g. brownfields remediation)
Allocation	\$6,000,000
Disbursement	applied between 2018 and 2034, all assistance shall be through an annual post-project reimbursement (i.e. PayGo); the amount of financial assistance in any given year shall not exceed seventy-five (75%) of the annual incremental taxes for the impacted parcels and the period over which the financial assistance shall be applied or disbursed shall not exceed fifteen (15) years

Improvement 2 Infrastructure: pedestrian and bicycle

Details	sidewalks, paved trails, bicycle lanes, cycle tracks, and crossing improvements (e.g. medians, markings, signs, signals)
Purpose	attract more residents from adjacent neighborhoods to the area through enhancements that allow for people of all ages and abilities to travel by foot or bicycle through the corridor
Allocation	\$1,200,000
Disbursement	apply when funds can be leveraged through external grants through the Wisconsin Department of Transportation; a portion may be covered under a 2017 bond issue

Improvement 3 Infrastructure: stormwater

Details	filtration, infiltration, retention and detention facilities
Purpose	increase capacity for additional development and redevelopment
Allocation	\$2,800,000
Disbursement	integrate public and private projects when possible to minimize costs; a portion may be covered under a 2017 bond issue

Improvement 4 Infrastructure: streets

Details	construct additional streets identified in the University Avenue Corridor Brownfield Redevelopment Plan
Purpose	enhance access and development potential of larger parcels; improve vehicular traffic circulation
Allocation	\$2,300,000
Disbursement	before applying, consider if larger-scale developments are better served by private or public infrastructure; a portion may be covered under a 2017 bond issue

<u>Improvement 5</u>	<u>Infrastructure: placemaking amenities</u>
Details	pocket parks, landscaping, wayfinding signs, banners, flags, public art, benches, bus stop enhancements, shelters, and other amenities deemed acceptable
Purpose	leverage existing assets to create a strong identity and brand for the district; foster a sense of attachment for local residents and businesses
Allocation	\$800,000
Disbursement	apply under leadership of local businesses and residents after enough reserve funds have been accumulated, most likely after 2024

<u>Improvement 6</u>	<u>Administration</u>
Details	funds directed towards City staff for time used on marketing, research, analysis, and managing the TID
Purpose	cover administrative costs from the appropriate source
Allocation	\$1,700,000
Disbursement	annual payments, 2016 through 2036, starting at \$50,000, increasing by two percent (2%) annually to account for inflation

Other Eligible Projects

The following is a general list of potential public works and other projects for which the City may encumber funds in conjunction with this Plan. This list is provided to provide options for projects that may not be identified at present, but may become necessary in the future. Again, the City reserves the right to implement only those projects that remain viable as the Plan period proceeds.

1. Property, right-of-way, and easement acquisition
 - a. Property acquisition for development or redevelopment
 - b. Property acquisition for conservancy
 - c. Acquisition of right-of-way
 - d. Acquisition of easements
 - e. Relocation costs
2. Site preparation activities
 - a. Environmental audits and remediation
 - b. Demolition
 - c. Site grading
3. Utilities
 - a. Sanitary sewer system improvements
 - b. Water system improvements
 - c. Stormwater management system improvements
 - d. Other utilities, including electric service, gas service, and communications infrastructure
4. Streets and streetscape
 - a. Street improvements
 - b. Streetscaping and landscaping
 - c. Pedestrian and bicycle infrastructure
 - d. Development incentives including grants and loans
5. Administrative costs, including those paid to the City or consultants for services rendered
6. Financing costs
7. Projects outside TID 18 provided that
 - a. The project area is located within the corporate boundary of the City of Green Bay; and
 - b. The Joint Review Board approves the project.

Economic Feasibility

This section demonstrates that the proposed TID 18 is economically feasible, given that:

1. The City expects to have cash available to pay for project costs as they are incurred or has the means to secure the necessary financing.
2. The City expects to complete the projects in one or more phases, and can adjust the timing of implementation as needed to coincide with the pace of private development
3. The development anticipated to occur as a result of implementing this Plan will generate sufficient property tax increment to pay for the costs of the projects.

Financial audits will be done in accordance with Wisconsin Statutes 66.46.

Financing Methods

TID 18 will function primarily as a "pay as you go" TID, meaning the City will plan completion of projects based on the availability of increment, though it may also obtain funding in the form of:

1. Cash received from grants or other sources
2. Cash received from a "donor" TID with excess increment above and beyond its project costs
3. General obligation bonds or notes, so long as the principal amount of general obligation debt is not greater than five percent (5%) of its total equalized value (including increment values)
4. Notes issued to developers
5. Tax increment revenue bonds from the City Redevelopment Authority (RDA)
6. Lease revenue bonds from the RDA
7. Utility revenue bonds

Projected Property Tax Increment

The development anticipated to occur as a result of implementing this Plan will generate sufficient property tax increment to pay for the costs of the projects. [Map 6](#) shows the manner in which the area will be redeveloped. The City believes that there are three major projects, with a high probability of being completed in the next few years (given preliminary discussions with interested parties), that will serve as catalysts for additional development within and surrounding the TID.

Redevelopment Site A: University Way Triangle. This area, covering eight (8) to twelve (12) acres, is located between and adjacent to University Avenue, University Way, and Sturgeon Bay Road (STH 54/57) in the center of the TID. It is a mix of underutilized and vacant commercial properties. With its proximity to the I-43 interchange, this area offers great potential to become the predominant commercial node on the corridor, possibly including a big-box retail center ([Table 4](#)).

	Land value	Improvement value	Total value	Property taxes
Current value	\$1,528,800	\$1,416,400	\$2,970,400	\$68,724
Estimated new value	\$2,300,000	\$8,700,000	\$11,000,000	\$240,680
Incremental value	\$771,200	\$7,283,600	\$8,029,600	\$171,956

Table 4. Projected increment for Site A.

Redevelopment Site B: Packerland Packing / JBS Site. This thirty-eight (38)-acre site is located in the central portion of the TID on the south side of University Avenue. It is a vacant former corporate

headquarters and beef processing facility that operated from 1960 to the late 2000s. With elevated topography, and access to the Baird Creek Parkway, the site offers great potential for residential use, including a combination of townhomes, multi-unit facilities, and live/work units ([Table 5](#)).

	Land value	Improvement value	Total value	Property taxes
Current value	\$1,374,800	\$511,300	\$1,886,100	\$41,268
Estimated new value	\$2,400,000	\$12,400,000	\$14,800,000	\$323,824
Incremental value	\$1,025,200	\$11,888,700	\$12,913,900	\$282,556

Table 5. Projected increment for Site B.

Redevelopment Site C: Tillman Nursery Site. This twenty (20)-acre site is located at the northeastern edge of the TID. It currently is a vacant tree nursery and landscaping business that operated from the 1980s to 2009. With high visibility from I-43 and its proximity to the VA Clinic, the site offers great potential for a hotel, medical facilities, and limited (professional services) office space ([Table 6](#)).

	Land value	Improvement value	Total value	Property taxes
Current value	\$620,100	\$61,400	\$681,500	\$14,911
Estimated new value	\$2,300,000	\$14,000,000	\$16,300,000	\$356,644
Incremental value	\$1,679,900	\$13,938,600	\$15,618,500	\$341,733

Table 6. Projected increment for Site C.

Given the catalytic nature of the three primary projects, there is good probability that additional redevelopment may also occur, thus generating additional increment. Should this happen, City staff, along with the Common Council, will explore possibilities for additional public improvements beyond the scope of those mentioned in this plan.

TID 18 Pro Forma

The entire pro forma can be found in [Appendix E](#), and is built on the following assumptions:

1. Development at the catalytic sites will be phased over multiple calendar years
2. *New Increment* is a conservative estimate of what can be created at each site
3. When *New Increment* is created in year one (1), it will be accounted for in an assessment in year two (2), and will be accounted for as revenue in year three (3)
4. The *Property Tax Rate* remains constant at \$21.88 per \$1,000 of assessed value
5. *Incentives: PayGo* expenditures are dependent on actual increment created
6. *Infrastructure: Debt Service* expenditures are payments for borrowing \$2,500,000 in 2017 at an interest rate of four percent (4.0%)
7. *Administration* expenditures increase two percent (2%) annually to account for inflation

The pro forma shows that TID 18 will be sufficiently funded to complete listed projects before the legal termination of the district. If this should occur, distribution of the surplus funds will be made in accordance with Wisconsin Statutes.

Required Documentation

Relocation

The City will provide relocation benefits and assistance to the extent necessary as required by Wisconsin Statutes Chapter 32. Generally, relocation occurs where a person or business is displaced from real property as a direct result of eminent domain proceedings commenced by the City against the subject property. Relocation services will be provided by City specialists with funds provided through TIF, the City or the City of Green Bay Redevelopment Authority.

Non-Project Costs

In the event that TID 18 demonstrates that it has sufficient revenues to pay for all incurred project costs and sufficient surplus revenues to pay for some or all eligible costs in other municipal TIDs, the district may become a donor to other active TIDs.

Promotion of Orderly Growth

Land use development in the city is guided by the *Comprehensive Plan*, adopted by the Common Council in 2003. Development of the plan relied heavily on the participation of the citizens of the city. The plan is in compliance with the State of Wisconsin's Smart Growth requirements, and provides city leaders with a guide to use while assessing policy and development proposals.

The City Planning Department, in concert with a citizen steering committee, completed the *University Avenue Corridor Brownfield Redevelopment Plan*, which was then adopted by the Common Council, in 2014.

This Project Plan for TID 18 is developed in compliance with these plans and general City policies in order to promote orderly and consistent growth. Map 6 shows the manner in which the area will be redeveloped.

Proposed Changes to City Plans and Ordinances

Master Plan. The City updated its Comprehensive Plan in 2003. The planned uses in the TID 18 are consistent with existing planning documents and have been incorporated into future planning documents. This TID plan is also consistent with the implementation elements of the University Avenue Corridor Brownfield Redevelopment Plan.

Official Map. All streets included in the TID 18 Plan area are included on the official Map for the City of Green Bay as adopted subdivisions. Should redevelopment projects cause a realignment of Wisconsin State Highways 54/57, University Avenue, University Way, or another affected street, the City will take the required procedural actions to review such amendments.

Zoning. Several parcels within TID 18 may require a rezoning or the creation of Planned Unit Development (PUD). The zoning classifications and standards that will be used in the any zoning amendment will be consistent with the City Comprehensive Plan and the University Avenue Corridor Brownfield Redevelopment Plan.

Building Codes. City building codes will not be changed to accommodate TID 18 activities.

Appendix A: City Attorney Legal Opinion

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